"It's Mine!" - Participation and Ownership within Virtual Co-creation Environments

Tracy Harwood* and Tony Garry²
¹De Montfort University, United Kingdom
²University of Canterbury, New Zealand

*Contact Address
De Montfort University
The Gateway
Leicester LE1 9BH
United Kingdom
Tel: 0116 257 7226
Email: tharwood@dmu.ac.uk

²Department of Management
College of Business and Economics
University of Canterbury
Private Bag 4800
Christchurch 8140
New Zealand
Tel: +64 3 364 2987
Email: tony.garry@canterbury.ac.nz

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Interpretations of value and the processes of value creation are rapidly evolving from product and firm centric perspectives to personalised consumer experiences. However, whilst much of the literature in this area advocates the role of the firm as that of ‘enabler’ and ‘community leader’, relatively little empirical based research exists on ‘post product’ manipulations by consumers and the resultant ‘blurring’ of the boundaries of ownership between consumer and firm. Drawing on the consumption community and co-creation literature, this paper reports on a study which examines the nature and characteristics of a virtual co-creation context. Findings suggest consumers are able to take ownership, define and create their own post product consumption experience and through a collaborative [often implicit] process between firm and consumer, continually modify and ‘co-evolve’ the product in an ongoing and iterative process. This in turn, has implications for post product ownership within such contexts.
INTRODUCTION

Interpretations of value and the processes of value creation are rapidly evolving from product and firm-centric perspectives (e.g. Porter, 1980) to ‘personalised consumer experiences’ (Prahalad and Ramaswamy, 2004). Such processes are primarily based on the emerging discursive power model which advocates co-creativity between consumer and firm (e.g. Holt, 2002) and are largely enabled by the emergence of new technologies. However, whilst much of the literature in this area advocates the role of the firm as that of ‘enabler’ and ‘community leader’ insofar as it the firm facilitating the community’s activities (e.g. Rowley et al., 2007), it is increasingly the case that within many such environments, consumers are expecting to manipulate and ‘extend purchased platforms and applications’ outside the control of the firm (Denegri-Knott et al., 2006). Despite the implications of such ‘post-product’ activities on the roles of consumer and producer and more specifically, the ‘blurring’ of the boundaries of ownership, little empirical based research exists within the literature in this area (e.g. Kozinets et al., 2008; Bonsu and Darmody, 2008). Drawing on the consumption community and co-creation literature, this paper explores three key areas in an attempt to address this: firstly, the nature and characteristics of a virtual ‘experience environment’; the perceived roles and motivations of consumers and producers participating in the value creation process within such contexts and; the implications of these processes on ‘ownership’ from a firm and consumer perspective. To this end, the paper is structured as follows. Initially, there is a brief synopsis of the salient literature on consumer-firm value creation and its pertinence to virtual consumption communities. Subsequently, the research methodology is described and key findings presented before the paper ends with a conclusion.
LITERATURE REVIEW

Interpretations of value and the processes of value creation are rapidly evolving from product and firm centric perspectives (e.g. Porter, 1980) to ‘personalised consumer experiences’ (e.g. Vargo and Lusch, 2004; Prahalad and Ramaswamy, 2004). Within more traditional company-centric models of value creation a clear demarcation between production and consumption roles may be identified insofar as value creation occurs ‘inside’ the firm and value exchange with the consumer occurs ‘outside’ the firm implying that consumers are not involved in the value creation process (Normann and Ramirez, 1994; Wikstrom, 1996). More recently, however, the discursive power model advocating co-creativity between consumer and firm has emerged (e.g. Holt, 2002) largely enabled by the emergence of new technologies. The implications of this has been the traditional and distinct roles of value creation that consumer and firm fulfil are converging in that ‘informed, connected, empowered and active consumers’ (Prahalad and Ramaswamy, 2004:6) are increasingly co-creating value (Lusch and Vargo, 2006) within the context of an ‘experience environment’ (Prahalad and Ramaswamy, 2004). It is perhaps pertinent at this point to differentiate between ‘consumer involvement’ in the production or service process, ‘co-production’ and ‘co-creation’ of experiential value between firm and consumer. Prahalad and Ramaswamy (2004) suggest that in traditional models of consumer involvement (e.g. ATMs, supermarket checkouts, petrol stations) the firm dictates ‘the overall orchestration of experience’ (p.8) within a framed context. Similarly, ‘co-production’ may be interpreted as the consumer being involved, to varying degrees, in the production of a new product or service development process. Crucially however, the firm once again retains control by ‘inviting’ the target consumer to
participate in the development process. Thus, it is the firm that stipulates the conditions of innovation and the process is at best ‘a variant of a firm-centric approach’ (Mascarenhas et al., 2004). Co-creation experiences may be differentiated from ‘consumer involvement’ and ‘co-production’ processes insofar as it is active and demanding consumers ‘whose sophisticated tastes and consumption patterns are increasingly disjointed, heterogeneous and less amenable to corporate categorisation and control’ (Bonsu and Darmody, 2008:357) who choose to willingly interact with the experience environment. In doing so, such consumers are able to ‘create their own unique personalised consumption experience’ in a ‘co-creation context’ (Prahalad and Ramaswamy, 2004:9). Increasingly, such co-creation processes are taking place within the context of virtual consumption communities (Rowley et al., 2007).

Consumer Empowerment and Value Creation within Virtual Communities

From a consumer perspective, the construction of social identity through consumption activities in virtual environments may manifest itself in individuals seeking to identify with virtual groups that have attractive or perceived ‘prestigious’ public images (Dutton et al., 1994). These perceptions of deep level similarity may result in an intense virtual ‘community of emotion or passion’. Indeed, Cova and Cova, (2002) suggest tribal analogies may be appropriate insofar as there is “a network of heterogeneous persons linked by a shared passion or emotion” (p. 602). Web based technologies have enabled such communities or ‘tribes’ to emerge that may be defined in terms of ‘use and interest rather than proximity’ thus leading to a ‘collapse of geographic space’ and a ‘de-territorialisation’ of a consumption experience (Cova et al., 2007). From a firm
perspective, such virtual communities provide a suitable context for the co-creation of a consumption experience environment with consumers. Within such environments, norms and codes of conduct are established through an iterative and co-evolving process between consumer and firm (Denegri-Knott et al., 2006). However, whilst much of the literature in this area advocates the role of the firm as that of ‘enabler’ and ‘community leader’ insofar as it the firm facilitating the community’s activities (e.g. Rowley et al., 2007), it is increasingly the case that within many such environments, consumers are expecting to manipulate and ‘extend purchased platforms and applications’ outside the control of the firm. These consumers will then avail or even sell their own newly customised solutions to other consumers with similar needs (Denegri-Knott et al., 2006). Indeed, within such contexts the original producer may now be completely omitted from the value producing experience (Plouffe, 2008). As a result, there may be profound implications surrounding such outputs in terms of distributive and collective power and intellectual-property issues (Kozinets et al., 2008). Despite this, little empirical based research exists within the literature in this area (e.g. Kozinets et al., 2008; Bonsu and Darmody, 2008). This paper attempts to remedy this by exploring such issues and their implications within one such virtual net based community.

The Research Context

Machinima (pronounced ‘muh-shin-eh-mah’) is defined as “film-making within a real-time 3D virtual environment, combining three creative contexts: film-making, animation and games development” (Academy of Machinima Arts and Sciences, 2008). It is a technology mediated medium enabling the dissemination of user-generated content.
through second generation internet sites such as YouTube, Vimeo and community specific sites. Reflecting Kozinets et al.’s (2008) definition of an ‘innovation-orientated online consumer community (IOCC)’ (p. 343), its emergence can be traced back to the mid 1990s when computerised game players produced short films to illustrate the extent of their technical skills to opponents and fellow players of computer games. Machinima has subsequently evolved to incorporate the process of manipulating computer games production tools (such as demo recording, camera angles, game levels, script editors, etc) and game resources and cosmetics (backgrounds, textures, characters, avatars, skins, etc) available within the games to render animated films. The online, real-time attributes of Machinima allow third parties to modify films further. The implications of this are that the traditional concept of game ‘ownership’ no longer applies. Unlike, for example, Second Life where Linden Lab may ‘take down the platform at any time of the firm’s choosing’ (Bonsu and Darmody, 2008:359), once released games are to a large extent, beyond the control of the original authors and are continually being modified by Machinimators. Indeed, such behaviour is frequently interpreted as games ‘evolution’. As Lowood (2005) comments: “When a computer game is released today, it is as much a set of design tools as a finished game design” (p15). Clearly, this ‘blurring’ of the boundaries of ownership between producer and consumer such ‘post-product’ activities create will have implications on the value creation and exchange process within such contexts. This research attempts to expand our understanding of the key factors related to these issues. More specifically the aims of the research are: to investigate the nature and characteristics of a virtual ‘experience environment’; secondly, to examine the perceived roles and motivations of consumers and producers participating in the value creation
process within such contexts and thirdly; to explore the implications of these processes on ‘ownership’ from a firm and consumer perspective.

**METHODOLOGY**

The investigation used a mixed methods qualitative research design which enabled ‘deep’ and ‘rich’ insights into the phenomena of interest (Geertz, 1973; Feyerabend, 1981; Maxwell, 1996). Previous literature in this field suggests online communities may be subject to diverse interpretations, therefore qualitative research is appropriate in ‘confirming, contrasting and contributing to’ academic literature (Garver, 2003) and to capturing contextual richness (Strauss and Corbin, 1990). Additionally, this approach was selected because it is useful for understanding evolving social processes. Data was collected in three phases (see Appendix 1). Firstly, extensive documentation was collated based on participant-observation (Fletcher, 2002) by one of the researchers who became a part of the community whilst directing a Machinima film festival. Secondly, interviews were conducted with key informants (McCracken, 1988). Thirdly, data was collated from blogging sites to support convergent findings. The findings are reported using an ethnographic tradition (Agafonoff, 2006; Sherry, 2008). Drawing on value creation literature, a discussion guide was constructed and used as a bases for semi-structured interviews but with scope to explore interesting aspects that emerged during the data collection phase (Maxwell, 1996; Miles and Huberman, 1994). Interviews with a geographically dispersed purposive sample of respondents were conducted using Skype (internet recording) technology whilst face-to-face interviews were tape-recorded. Interviews lasted between one and two hours and were transcribed to facilitate content
analysis (King, 1998). Given the nature of the research objectives, it was deemed imperative that a range of perspectives and interpretations were included and so representatives of the consumption community, games developers and members of the community employed by game developers were included. Content analysis was used to reduce data to key themes (Krippendorff, 2004; Weber, 1990) in a qualitative mode. The data collected was used to develop a conceptual map of value creation by the community and game developers’ perspectives of this. A reiterative approach was adopted (Remenyi et al., 1998) which informed refinement of the conceptual map. The mixed method approach was deemed appropriate to enable triangulation of findings from the range of different data sources used. The scope of the current paper, however, is limited to discussing findings relating to the research aims stated previously.

Ethics was considered to be an implicit part of the research design (Hair and Clark, 2007). Participant-observation was overt. A code of conduct for participation was published and written consent was sought from all participants in the film festival. Permission was also sought for all recordings of interviews. All the identities of informants, community members and firms are protected to preserve confidentiality, anonymity and privacy. Content (films, blog postings etc.) collated was user-published and widely accessible over the internet, although where comments can be attributed to identifiable community members, these are protected. Finally, research findings were discussed with informants.
KEY FINDINGS

Findings are reported in three key areas: firstly, an examination of the extent to which consumers create their own unique consumption experience; secondly, the implications of the convergence of value creation roles within the experience environment are explored and finally; issues relating to ‘ownership’ resulting from participative value creation are examined.

The Personalisation of Consumption Experiences by Consumers

There was evidence within the findings to suggest consumers do ‘create their own unique personalised consumption experience’ within the ‘experience environment’ (Prahalad and Ramaswamy, 2004:9). At one level, respondents recognised how the original gaming context and its inherent familiarity released by the producers was a key part of their consumption experience: “Machinima has this relationship with the audience that is given by the pre-existing game and the scenario in the game” (Informant 2). At another level, it was the on-line participation after the release of a game that enabled participants to extend the original game platform by allowing them to co-create a film of their own design with other consumers that was perceived as the critical element of the experience. As one respondent comments: “it’s not trying to take away from the [original game] story, it’s trying to branch out a bit based on what you believe could be the story you want to see” (Informant 3). This indicates the ‘experience environment’ is a combination of an established and ongoing gaming context which simultaneously provides the opportunity for consumer customisation and personalisation so as to create their own unique consumption experience.
Whilst these findings reflected previous research within other contexts insofar as they recognised such communities as having a ‘shared cultural understanding’, ‘dominant community ideology’ and a unifying ‘esprit de corps’ based around a consumption activity (e.g. Haigh and Crowther, 2005:559-60), there was also implicit and explicit evidence to suggest differing motivational factors among members related to participation in the consumption activities of this community.

Within many virtual communities, the consumption of the activity or object may be in an off-line environment and synchronous and asynchronous media are used merely as an enabler to share ‘stories’ and ‘experiences’ on-line between community members. However, within the Machinima community, on-line participation in Machinima production may be a key part of the consumption activity in itself. Indeed, for some respondents, the medium was used to relate an experience in their lives through the game characters: “[Machinima] puts their characters at the centre of attention, and recreates a broad adventure that they have experienced and what perfect way to do it but to use the game itself as the storyteller” (Informant 7). Indeed, there were examples of where individuals felt reluctant or unable to relay such experiences to offline support networks through more traditional forms of communication modes. In this sense, part of the consumption experience was the evocation of virtual community obligation, reciprocity, mutual assistance and reaffirmation of community values to overcome increasing ‘emotional isolation’ inherent within many proximity based ‘post-industrial domestic’ communities (Komito, 2001).
For other respondents, creative recognition and inspiration from their piers through the sharing of ideas and technical skills was a motivating factor: “[machinima] is about taking a game and using it as a canvas of creative expression” (Informant 7). Emerging from a computer games culture, there has historically been an emphasis on ‘fun and play’ within the Machinima community. More recently however, it is increasingly being perceived as ‘the artistic medium of the digital age’ (Lowood, 2006: 25). Participants can “transform themselves into actors, directors and even camera operatives” (Lowood, 2005). As such, Machinima encapsulates the ‘convergence of filmmaking, animation and game development’ (Dellario, 1996). Consequently, participants are able to excel at different facets of the manipulation process (such as movement tricks, marksmanship or stalking). As a result, participants are able to exhibit their indicative narrative and technical virtuosity to other ‘performers’ and ‘spectators’ within the experience environment. This has in turn resulted in some Machinimators becoming ‘celebrities’ within the community. Indeed, Lowood (2005) highlights how Machinima relies on the spectatorship of others and ‘... is created within and for virtual communities of enthusiasts” (p.15). Mirroring the attributes identified by Kozinets et al., (2008) these consumers are characterised by “...a strong desire to gain expertise and be recognised for their ability, passionate labor and interest-based self presentation.....many are long term members......and become enthusiastic perfectionists...the type of artist who creates a range of digital and material creations” (p.348).
Another respondent mentioned the socially inclusive nature of on-line participation recognising the co-creative potential of Machinima and the resulting sense of empowerment that this evokes: “[Machinima] had built a community before others [web 2.0 sites] and I think there is a strong sense that anybody can create anything cool and put it out to the world which is very empowering” (Informant 2). As a result, the process is perceived as “an extremely democratic way of producing and distributing [Machinima film] content” (Informant 1). Indeed, there was a general recognition of the collective sense within the community of the pursuit of ‘something better’ and that such activities within the consumption environment should be ‘non-judgemental’, ‘constructive’ and devoid of social hierarchies.

The Convergence of Value Creation Roles within the Experience Environment

From the producers’ perspective, there was a clear recognition of firstly; the skill set retained by members within the community and its potential value to the originating game developer and secondly; optimising not only this skills set but also the consumers’ embeddedness within the community. Indeed, the findings revealed a number of examples where the creative processes used by individual or collective groups of Machinimators to produce films based on an original game story had subsequently been identified by a producer and collaboration between consumer and producer in subsequent commercial projects had resulted. For example, one viral film series produced periodically by a group of Machinimators within the community and regularly having over a million downloads is now financially backed and actively promoted by the original games developer. It is acknowledged that “the reason why it’s so successful is because of
the writing and it’s very well produced [by the Machinimators] and it's putting the [game] characters into situations that they are not supposed to be so therefore it becomes immediately funny” (Informant 2). There is a recognition that consumers are better “culturally positioned to conceptualise new ideas that [game developers] are not capable of” and to subsequently incorporate these into existing games (Informant 2). Paradoxically, one respondent comments: “It’s interesting to note how even high-budget game creators have trouble competing with their own fans in producing a games trailer for their latest game!” This appears to be an interesting affirmation of Kozinets et al., (2008) observation of how such ‘cultures, subcultures, groups and communities blend personal interests in hobbies and consumption activities…[which are] often profoundly intertwined with the marketing and consumption concerns of commercial marketplace culture’ (p.342). An alternative perspective of such consumption activities was also identified within the findings: “[games developers] know they are getting value out of the game, additional value that's not packed with the game, to build the sales of the game beyond its box so I see that as an exploitation of end user work” (Informant 7). Such insights echo those of Bonsu and Darmody (2008) who suggest “the pursuit of self-fulfilment through community engagement, random acts of selfless altruism and creative expression .....” is ultimately contributing to the “corporate bottom line” of organisations operating within such contexts (p. 361).

Issues of ‘Ownership’ in Participative Value Creation Processes

There was evidence within the findings to suggest that ‘norms and codes of conduct’ between firm and consumer were still evolving in relation to ‘ownership’ within the
context of this particular virtual ‘experience environment’ (Denegri-Knott et al., 2006). Whilst commercial applications of Machinima based on games produced is explicitly controlled through end-user license agreements, many producers actively support individual or ‘low key’ Machinimating which, in turn, may generate support for their games from the community. Indeed, many game developers accept the loss of ‘authorial’ ownership of production processes once a game is released into the experience environment. As one respondent states: “a key selling point [of some games] is that you own the content you create, no strings in terms of what you can and can’t do because you basically own your IP” (Informant 6). Some game producers are facilitating this process through the incorporation of film-making and editing tools (‘modding’) inside their games to enable film production by Machinimators (Gaudiosi, 2008). Such ‘post product’ activity is perceived by some producers as a way of reaching new segments of potential users who have traditionally been ‘media resistant’ (Horwatt, 2008). As one producer comments: “Quite a few games developers really like it when they see Machinima made with their game because it means a certain thing – our game has been so embraced [by the community] that people want to use it to creatively express themselves and as a way to tell stories” (Informant 7). Another states: “From our point of view, our job is to sell our product and the best advert we can have is a film made with the product... if someone makes a fantastic film, sticks it up on YouTube and it has 100,000 views, that’s a load of people who see our product” (Informant 8). Related to this, websites are often established and supported by the original producers of games and comprise discussion boards for communities of modifiers to exchange information and distribute their work. In many instances, this is a reflection of a community member’s ad hoc commercial
involvement extending into games production. As a result, these individuals are still firmly embedded within the community and immersed in its values. As one respondent states: “it's all about recognizing the value of the consumer and letting them control the relationship... some feel it's a bit dangerous, but in fact X [a Machinima film] was the most successful advertising campaign that Y [game producer] had ever had” (Informant 8). From the consumer’s perspective, there was a recognition of the value that such activities have for the producers: “it’s a marketing platform for them, it really is a case of saying that this game created this [machinima] series, cool, it must be a really good game to play if we can create these movies from it” (Informant 6). That said, the findings also suggested that tensions exist between the community and some games producers in terms of the extent of control they were prepared to relinquish. This manifested itself in two key areas. Firstly; by attempts to regulate what could and could not be done with the game content and secondly; by not identifying the full range of production facilities within the game that would allow Machinimators to optimise film production.

CONCLUSION

This exploratory research contributes to our understanding of value co-creation within virtual experience environments. It highlights how at one level, consumers are able to take ownership, define and create their own ‘post product’ consumption experience through the manipulation of the product. Once released for public consumption, such games are beyond the control of the original authors but are continually being modified in real-time and hence are in effect, evolving. Indeed, members of the Machinima community are continually seeking ways to manipulate games in ways that the original
developers would not have anticipated in an attempt to derive their own unique consumer
experiences. Many producers accept the loss of authorial control over such games on
release as inevitable and ‘embrace’ the modification of its software by the Machinima
community perceiving it to be part of the consumption experience. As Kozinets (1999)
observes, “in the digital economy …networks are what build value and networks are
often created by giving things away…..the goal is not to control information but to use it
wisely in order to build solid, long-lasting relationships” (p. 263). At another level,
there may be a collaborative [often implicit] process between game developer and
consumer to continually modify and ‘co-evolve’ the product in an ongoing and iterative
process. From a developer’s perspective, this ‘tapping’ of ‘mass consumer intellectuality’
(Bonsu and Darmody, 2008) is a recognition that the consumption community may
contain consumers with equitable or even superior skill sets that are able to add value to
the ‘post product’ experience for other segments of consumers within the community.
Indeed, to avoid becoming a ‘legacy industry’ (Plouffe, 2008: 1193), the success of firms
operating within such contexts will no longer be determined by the process of adding
value or indeed, the co-creation of value between firm and consumer. Instead, it will be
determined by the extent to which consumers participate in ‘post product’ manipulations
and the ongoing acceptance and further manipulations of their outputs by other
consumers so as to optimise the consumer experience within the experience environment.
Examining how such networks evolve over time would enrich our understanding of the
‘tensions, desires and conflicts’ (Denegri-Knott et al., 2006) that firms and consumers
need to reconcile in such contemporary markets and would be an interesting direction in
which to take future research.
REFERENCES


## Appendix 1: Data Collection Process

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<th>Data</th>
<th>Description</th>
<th>Data Collection Period</th>
<th>Analytical Methods Employed</th>
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| Machinima Europe Festival 2007 | **Phase 1:** Researcher directed festival in October 2007, UK. Data collated comprises:  
- extensive correspondence with community leaders (Academy of Machinima Arts and Sciences and Machinima Europe Board and includes email and telephone call notes);  
- film-makers about film-making (83 festival entrant documentation);  
- network collaborations and film content (156 films – videos ranging between 30 seconds and 1:40 minutes);  
- distribution (resources used) and technologies employed (software and hardware) and film review panel (35 individuals, includes email and telephone call notes). | March to November 2007 | Participant observation; content analysis of documents and films; conceptual maps of community and individual member involvement |
| Key informant interviews | **Phase 2** Semi-structured interviews with 10 key informants lasting between 1 and 2 hours. | April to Dec 2008 | Content analysis; conceptual maps |
| Virtual fora | **Phase 3**  
6 virtual community fora: Machinimafordummies.com; Machinima.org; Machinima.com; mprem.com; moviestorm.co.uk; roosterteeth.com | May 2008 | Content analysis; conceptual maps |